

2 October 1970



SPECIAL SITUATION REPORT

Approved for Release
July 2000

Asubtle change may have taken place in Chile's political climate in the past twenty-four hours. The catalyst for this change may have come in large part from the surprising rebuff of the PDC guarantees. Allende's action may have thrown cold water on the unrealistic view held by many of the PDC members that they could work out a modus vivendi with Allende. Moreover, those PDC members' who were expecting to share in Allende's patronage are no doubt having second thoughts today. Perhaps these distillusioned PDC party members will still not vote for Alessandri, but they may now be looking for some other alternatives to supporting Allende. At the same time, the higher levels of the PDC are becoming painfully aware of the rising level of pro-Allende intimidation against the party members in the barries.

These developments may well work to Frei's advantage, since he is obviously playing for time in order to allow the true charactes of Allende's forces to become more visible in the hope that he will be able to create a consensus within the PDC that Allende is unacceptable.

Meanwhile, there are indications that all is not well within the UP. The PCCh is becoming impatient with certain UP factions, especially the Socialists, and bickering within the UP is increasing. The Radicals and PCCh, who favored a quick and complete acceptance of the PDG guarantees by Allende must be disappointed by Allende's response. The PCCh does not want to give the PDC reason for breaking off the negotiations, preferring to depict the continuation of this dialog as defacto recognition of Allende's President elect status, and, at the same time, giving the impression of an orderly transfer of power within the democratic framework.

These developments do not mean that all the pro-Allende forces of yesterday are tailing indicates believed as a significant change in the PDC position as a result of Allende's turn-down.







ST KEI/

In addition, this rejection, which included a request that Allende ". . . forego at least for a while, the legal presidential right to name the commanders of the Chilean armed forces. . " may well serve to awaken the military to the realization that their positions may be short-lived under Allende.